



*Clean Energy*SM

North America's leader in clean transportation

U.S. NGV Market “America's Best Kept Secret”



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Phoenix Sky Harbor Airport

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Company Background

- ▶ Largest provider of vehicular natural gas (CNG and LNG) in North America
- ▶ Design, build & operate NG stations
 - Over 160 in operation with High Volume Fleet Focus
 - Produce/Deliver LNG to third parties
- ▶ 25% growth for 2005 vs. 2004
 - 57+ million gallons
 - \$75+ million revenue
- ▶ For 2006:
 - Continued growth!
 - 65+ million gallon annual run rate based on January sales



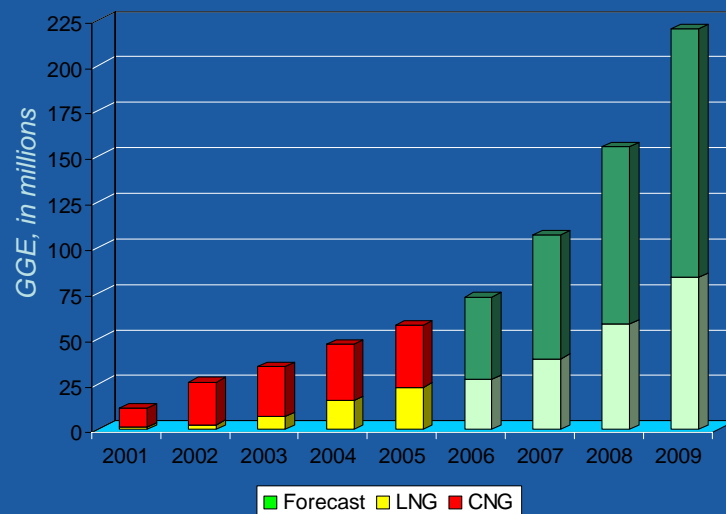
Los Angeles International Airport



Phoenix Transit

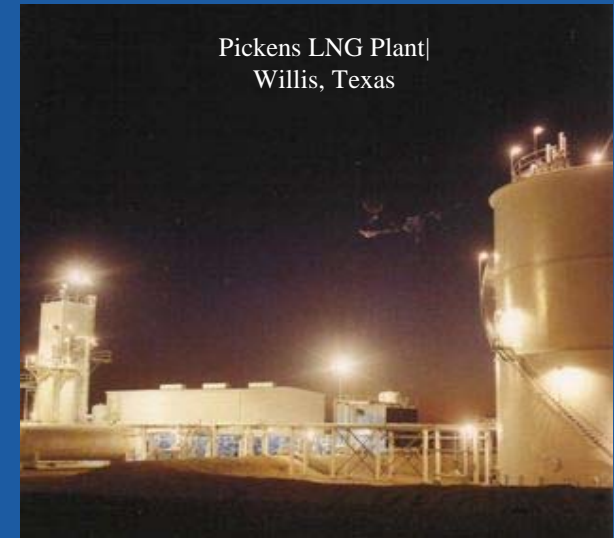
Our Volume Goals (CNG & LNG)

- ▶ 220 MM gallons by 2009 resulting from:
 - EPA Waiver to allow SCAQMD Fleet Rules to be reinstated
 - Increased 2007/10 diesel engine cost to meet lower NO_x and PM₁₀ emission requirements
 - Increased LSD cost/gallon compared to LNG beginning 2007
 - Favorable Energy Bill
 - Vehicle Tax Credits
 - Fuel Refund



Our Commitment to the Future

- ▶ \$100 million approved by BOD to meet 5-year aggressive growth plan (2005-09)
- ▶ Highlights include:
 - Pickens/Texas LNG Plant
 - California LNG Plant
 - 80,000 gpd with capability to add two additional trains
 - 50 CNG stations
 - 42 LNG stations
 - 60 additional staff for marketing and operations



Why are we successful?

- ▶ Locate station with an “Anchor Tenant”
 - Refuse, Transit, Municipal, and Utility operations
 - Airports to service landside operators like transit, taxis & shuttles
 - 20,000 gallons per month, minimum
- ▶ Add Perimeter Public Access when economic and practical
 - Separate Business
 - Increases asset utilization
 - Compliments time-fill station



NG Supply Outlook

- ▶ Federal Energy Policy will move power generation to other fuels because 30+% of NG is used for Power Generation
 - Clean Coal and Nuclear will fill void
- ▶ Import LNG Terminals will provide additional supplies from stranded markets around the world
- ▶ Sempra/Shell committed \$700 million to build an LNG Terminal near Ensenada, Mexico (2009)
 - Provide 1 BCF per day
- ▶ Several LNG Terminals to be built/proposed on the East & West Coasts and the Gulf



NG Supply Outlook

- ▶ 300,000 GPD of LNG Production in Southwest U.S.
 - Requires plant expansions to meet growing demand
 - Clean Energy to build a California Liquefaction Plant
- ▶ NG futures are \$7-\$8 per MMBTU
 - Less than 5% imported
- ▶ Oil futures are \$60+ per BBL
 - More than 60% imported
- ▶ Historically, Oil/NG is 7-8 times
 - Higher oil rises, the greater the spread between gasoline and NG on a per gallon basis

Success Stories

America's Best NGV Markets

Transit

- ▶ 10,000+ NG Buses in operation across U.S.
- ▶ Economics
 - Equivalent Cost to Diesel Bus
 - Federal Tax Credit covers incremental cost
 - NG is less than diesel
 - Fuel providers will build, operate & supply NG over the term of the contract – less than diesel!
 - Don't let your transit properties buy diesel hybrid electric buses!
 - \$200,000 incremental cost!
- ▶ Environment
 - Diesel exhaust is a toxic air contaminant
 - 2007 Diesel Engines must meet 1.2 gm/bhp NO_x
 - Both John Deere and Cummins Westport have committed to meet EPA 2010 0.2 gm NO_x standard in 2007



Refuse

- ▶ 2,000+ NG trucks in California
 - National Fleets, including Allied, Republic & Waste Management; City's of Long Beach, Los Angeles, San Diego and Santa Monica
- ▶ Convince Elected Officials
incent/mandate Franchise Agreements to use NG
 - Promote 10-15% of RFP to be alternative fuels – you'll get the result without a mandate
- ▶ Like Transit, economics favor NG over diesel



Ports – Los Angeles & Long Beach

- ▶ David Freeman continues to support large LNG truck deployment
 - 1,000s, not 100s
 - Westport ISX, 15 liter LNG engine
- ▶ P&O Nedlloyd to deploy 37 LNG Yard Hostlers
 - Private Station under design
- ▶ CE committed to build 2-3 LNG stations in advance of truck deployment
 - Cardlock and private sites under investigation
- ▶ 1,000 trucks = 22.5 million gallons/year



Airports & Light-Duty Markets

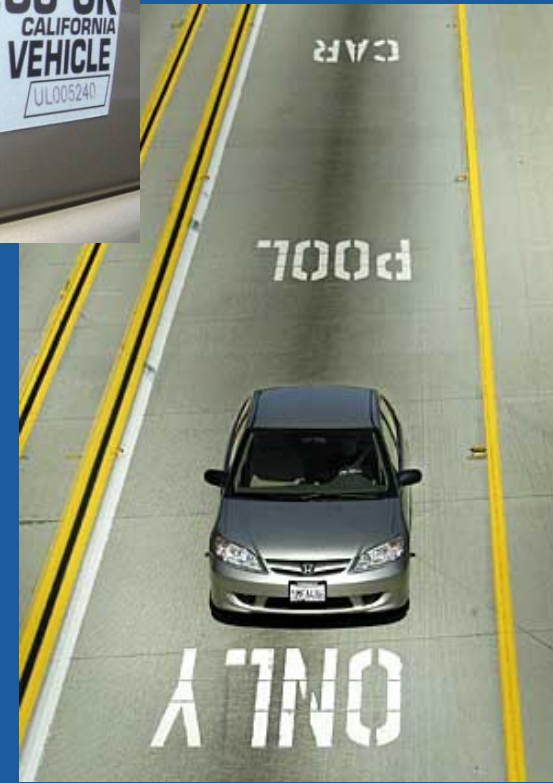
- ▶ High Volume Return to Base Fleets
 - Transit (20,000)
 - Refuse (10,000)
 - Parking/Hotel Shuttles (5,000)
 - Door to Door Shuttles (10,000)
 - Taxis (6,000)
- ▶ Several Airports CE serves have more than three stations
 - LAX, OAK, PHX, SAN & SFO
 - DFW & SEA proposed



Opportunities and Needs

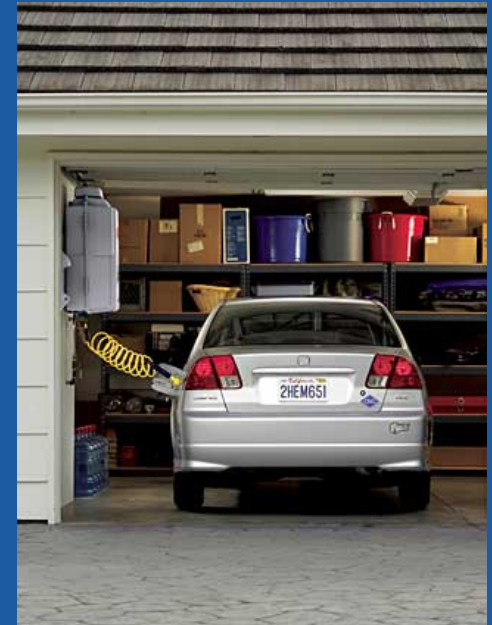
Light-duty

- ▶ Taxis and Shuttle Vans, especially for Airports
 - Need OEM models!
 - 10,000 units/year, minimum, to make business case
 - Consumer purchases necessary
- ▶ Consumer (HOV Access)
 - Honda GX
 - “Phill”, Home Fueling should resolve infrastructure gaps



Light-duty

- ▶ Europe's OEMs need assurance a viable U.S. market exists before certifying their NG models
- ▶ Can DOE assist American & existing Foreign NGV producers with certification and crash testing?
- ▶ DOE support will send strong signal that the U.S. market is moving in the right direction



Medium and Heavy-Duty

- ▶ Class V and VI M2 Trucks
 - Need OEMs to engineer NG engines into existing chassis
- ▶ Yard Hostlers
 - Port of Los Angeles requires all new leases to use “Clean Fuels”
- ▶ Others?



NG On-board Storage

- ▶ CNG Cylinders
 - Few suppliers
 - Steel (Type I) to Composite (Type IV) have increased by 2-3 times over past few years
 - Need DOE support to develop cost effective solution
- ▶ LNG Tanks
 - Two suppliers
 - Two years ago, several tanks could not maintain vacuum and vented fuel after 1-2 days
 - Need DOE support to develop cost effective solution

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